

Growing Food Entrepreneurships with Startups and Stories



Welcome to the growing community of food entrepreneurs. You may have an idea that you believe will help transform the rapidly changing landscape of the food industry, from farming to tech. The purpose of this handbook is to help food entrepreneurs develop the best business plan possible for their food-related business.

Good pitches inspire good investments.

Your Business Plan

What's your story? The best business plans tell a comprehensive story while also communicating to potential investors that you know what you're doing. Do you have a personal story that shows your potential investor how you discovered your business idea? Tell it. A business plan that tells a great story but shows no understanding of the market, or lacks vision and clear direction is unlikely to attract investors. Similarly, a business plan with all of its financials in place but lacking an engaging angle or an awareness of a specific problem or need may find itself out in the cold. What follows is an overview of the content no business plan should be without.

You and your team should consider the following:

- **A tagline** (a short one-liner describing your business proposition)
- **A pitch** (a minute-long description of your business proposition)
- **A deck** (slides to show investors)
- **A business plan and business plan summary**
- **A video** (optional, but helpful)

YOUR TEAM

The key to your success as a fledgling business is to have the best team for your product/idea. Are you developing an app that connects nutritionists with elderly populations in need of healthy eating education? You should probably have at least one app developer on your team. Do you want to build a mobile fresh fruit and vegetable stand? Your team should include a crack forager, someone who has a deep understanding of your city and state's regulations regarding selling food, and someone who understands which neighborhoods will be the best fit for what you'd like to accomplish. In short, your team should be comprised of the best people with the appropriate expertise to execute your plan down to the smallest detail.

EXECUTIVE SUMMARY

First things first: What is your idea? What gap in service does your idea address? What problem does it solve? Whose needs does it meet? Because you're pitching a new business, you have an opportunity to tell potential investors about yourself, your experience, and why you chose the idea/business you're pitching.

You should very clearly articulate the problem that your business intends to solve

and how you plan to solve it. Put another way, state very explicitly what you'll do for whom. While this portion of your business plan comes first, it should be the last thing you write, as it serves as a high-level summary or abstract of everything else contained in the plan.

COMPANY DESCRIPTION

What is your business/product/service and what problems do you solve? Are you producing a tangible item, or a process, or a tool? How does your idea, process, or product help meet the needs of those experiencing the problem you've identified? Do you want to reach individuals, businesses, farmers? Share your mission with your audience and be sure to address the aspects of your idea that distinguish you as the best choice above any competitors you may have. Is your business model a non-profit or a for-profit? Or a combination?

Additionally, be sure to introduce the members of your team and the unique skills and expertise they bring to the project.

MARKET ANALYSIS

Here's where you get the chance to show off all the research you've done and demonstrate your deep understanding of the industry you're entering. Describe your industry (urban food production, public health, food marketing, food logistics, packaging, animal husbandry, food safety and testing, and so on), its size and relevant growth trends and any other characteristics relevant to your project and its ecosystem. Identify the major customer groups in your industry, then narrow your focus to analyze your target market, both real (existing) and potential.

From there, you should research your target market and include analysis about that group's distinguishing characteristics. How large is your market? How much of that market do you intend to capture within any given area? Is there any recent research relevant to your target market and its demographics, spending habits, and essential needs? Who is paying for



Napoleon offered 12,000 francs in 1795 to anyone who could develop a way to preserve food that would enable his armies to remain in the field for longer periods of time. **Nicolas Appert**, a French confectioner, won the prize in 1810 by inventing the “art of fixing seasons,” by boiling sealed bottles of food, now called **canning**.

your product or service? A diner in a restaurant? A chef? A farmer? A food processor? It might be helpful to think of your target market in discrete segments, say, moms, single people, or students if you’re developing a food app. Or small neighborhood grocers, homeowners, and farmers’ markets if you are starting an urban farm and are seeking distribution outlets. Break your market down into bite-sized chunks that will better help you analyze the needs and buying trends of your customer base. You can also customize your message to these discrete segments of your target (or potential target) market. Once you’ve identified your customer base, you’ll need to articulate your pricing structure and gross margins for that target market.

You’ll also need to discuss market trends and how they affect your business. How does the rollout of the most recent iPhone affect your app? What adjustments to the product or its pricing will you have to make in order to respond to this change? What other related barriers to market do you see or anticipate? In the unlikely event that sugar falls out of favor in the American diet, what tweaks will you make to your specialty jams and jellies in order to keep customers interested? Or, if you have developed a way to produce more crops using less water, how will environmental change affect your technology? While some of this analysis may be purely speculative, it’s imperative to demonstrate that you know how to track and respond to trends and fluctuations. You might also reflect on people who might not be contained within your initial target market at first, but who might create a new market if your idea is truly innovative.

Finally, you’ll need to identify your competitors. What share of your target market do those offering a similar service or product have captured already and what do you offer that can draw customers away from your competition? What are your competitors’ strengths and weaknesses? What gaps in their goods or services can you speak to? Are there any indirect competitors that you should be aware of? You might also find

it useful to partner with competitors, especially if there are opportunities for you to fill in gaps in their services at a better price. Or perhaps you can work together to develop your industry and educate your customer base. Are there competitors with whom you can work to create a positive outcome for your clients?

ORGANIZATION AND MANAGEMENT

Here’s where you’ll describe the organizational structure of your proposed business and introduce your management team and their qualifications for their specific roles. Think of this portion of your business plan as the point at which you persuade your audience that you’re the best team possible to pull off this idea.

Start off by describing how your organizational structure speaks to the overall strategy of your business. For example, do you plan to keep your fixed costs low by maintaining a small staff or adopting the practices of “lean” organizations? Explain your vision for this model through concrete examples and justify this choice.

From there, introduce your management team with a thorough explanation of each member’s background, education, experience, and specific area of expertise. For instance, if your business plan involves personal chef services to families with special diets, you’ll want to be sure and highlight your chef’s culinary training and relevant experience. If your team includes a nutritionist, describe his or her philosophy about nutrition, special diets, include any credentials, including education (especially if it includes intensive training in dietetics) and any pertinent experience. Underscore the importance of each team member’s role in the strategy and implementation of your business plan and leave no shadow of a doubt that they are up to the challenge.

Next, you’ll want to describe your organizational structure. Who will do what and where do they fall in the hierarchy (if there is one)? You might do this through a spreadsheet-style

breakdown of personnel and duties, or draw up an organizational chart with brief annotations describing each person's roles and responsibilities. If applicable, you may want to include your team's expected compensation for the first few years of operation. Include any pertinent ownership information (sole proprietorship, partnership, incorporation, etc.) in your discussion of your organizational structure. Be prepared to adjust accordingly as you grow, pivoting as necessary as you refine your idea.

MARKETING AND SALES PLAN

In this section, you'll need to break down exactly how you plan to **a.)** make your target market aware of your product (marketing) and **b.)** make it available to them (sales).

Your job is to communicate your business value to your target market. Put another way, you'll need to determine what you want your brand/product image to be. What is different about your product and how can you make a meaningful connection between it and your target market? Establishing and articulating your brand positioning/identity is a crucial first step in the marketing process.

Think of marketing as a two-way process: Not only can your customers learn about your product or service, but you can learn from your customers. Pay careful attention to your audience and the language you use to appeal to them. Different audiences require specific communication styles, and you'll need to craft your message accordingly. For example, if you want people to buy your new kelp-based smoothie, you'll need to use words that engage on an emotional level, like "healthy," "refreshing," and "delicious" to attract them to your product. But if your market is industrial processing of wild game, you'll need to use the appropriate vocabulary for that industry. And if your idea depends upon any intellectual property (IP) and technology, you'll need to explain how you plan to protect those assets.

You will have analyzed your customer's buying habits over the course of your market research, and they should inform your marketing strategies. How and where do you plan to reach your target market? If they're an older crowd, perhaps you plan to offer introductory coupons alongside a full-color ad in your local daily newspaper. Or, if you're courting millennials, you might be planning to engage with them on social media, either through Twitter chats or preview events with local bloggers and media (make sure you're up on the latest social media marketing methodologies before wading into those waters, though). You'll want to employ some combination of advertising, public relations, mailers, social media outreach, and so on to capture your target market.

Once you've gotten your target market's attention, your customers will need to be able to get your product. What is your sales and distribution plan? Do you plan direct sales at a farmers' market, or sales from the shelves of local (or national) grocery stores? Or downloaded through iTunes? Or purchased through wholesalers or packing materials? Think about channels: Whether you will be selling in retail or wholesale channels will require some reflection on your part about producing and pricing your product or service at appropriate margins.

Be sure to also include your sales goals and objectives. What are your sales goals for the company's first year? Five years? Ten years? How will you scale your business? From there, you'll want to articulate the sales objectives that will help you meet the goals you just identified.

FINANCIAL PROJECTIONS

Just because you're done with your sales plan doesn't mean you're done crunching numbers. Next up are your financial projections, in which you forecast your business' revenues, profits, and expenditures for at least three years.



In 1869, Napoleon III, launched a food prize that would provide an inexpensive butter substitute for his armies and the lower classes. Two French chemists, Michel Eugène Chevreul and Hippolyte Mège-Mouriès combined their research about fatty acids to create oleomargarine, an oily substance made of beef suet and milk. A Dutch company that later became Unilever, bought the patent in 1871.

FUNDING OPTIONS

Which option is best for you?

- **Angel capital** Funding that comes from a wealthy individual who provides startup funds for a business in exchange for convertible debt (cash or shares of stock) or ownership equity.
- **Venture capital** A high-risk investment wagered on promising startups without access to capital markets but are believed to have long-range potential for above-average returns.
- **Loans** Capital lent by a governmental entity (such as the U.S.D.A. or the U.S. Small Business Administration) or private (bank or commercial lending institution) provided with the expectation that the money will be repaid with interest over the course of a predetermined repayment period.
- **Grants** A monetary award that provides capital funds free and clear, with no expectation of repayment. Most grants require a written application, and many grants are directed at specific groups often underrepresented in business such as women and Native Americans.
- **Crowdfunding** A DIY approach for entrepreneurs to raise money online from among their network of family, friends, community, and interested strangers. Startups can set a donation level with reciprocal incentives for the donors, such as t-shirts, public acknowledgments and thanks, or discounts on future goods and services. The most well-known of these types of websites is Kickstarter, but you'll want to investigate the options available and choose the service that best aligns with your product or service. For example, while Indiegogo allows any fundraising campaign without any vetting process, Kickstarter has a much more rigorous submission process, allowing people to raise funds to produce a product, but not to launch a business. Peerbackers (peerbackers.com) was founded specifically

for entrepreneurs and even extends its services to people as young as 13 years of age. Additionally, some crowdfunding sites help match small business with angel or venture investors; these include MicroVentures, CircleUp, and Angel List.

WHAT TO CONSIDER WHEN LOOKING FOR MONEY

Asking people for money to finance your business means that, in most cases, funding will come with some strings attached. How much control over your business do you want to relinquish to the people who provided the startup funds? If your answer is "none," you'll probably want to pursue crowdfunding platforms, grants, or bootstrapping measures (using your own money to start your business and stretching your resources so as to limit spending and borrowing). While bootstrapping requires a lot of forethought and careful planning, it is not an insurmountable challenge. If crowdfunding and bootstrapping do not appeal, you will need to determine how much equity and control you want to offer your investors before entering into any agreements.

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Food Startup Opportunities

We have provided you with some case studies that suggest ways you can organize your new business. Some of these case studies bridge one or more startup business opportunities. For example, our inclusion of Vital Farms bridges production and distribution and packaging. Since the food industry requires a system in order to be successful (including transportation, packaging, distribution), your business should consider how it fits into the overall food system.

If your business is concerned with the production of food, you'll need to make yourself aware of the various government regulations around food operations. For example, if you're planning on starting a business making gluten-free cookies from your home kitchen, you will need to explore the cottage food laws in your state. In Texas, cottage food producers are limited to the types of foods they can make and sell, and must have local food handlers' certificates and follow certain packaging and labeling rules. You may be developing technology to input farm output productivity, such as a technology to guide tractors or other farm machinery, or regulate irrigation systems. These business ideas all require a deep understanding of farming practices and those who operate in the farming community.

If you are starting a farm or other food production facility, whether you are raising insects, using aquaponics, growing vertically or horizontally, you will benefit from the traditional agricultural extension services in your area through the U.S.D.A and a growing number of farm incubators and farm startup organizations that aggregate food production knowledge. New publications and apps are sprouting up every week to support budding farmers and ranchers.

The U.S.D.A. National Institute of Food and Agriculture's Cooperative Extension service offers practical information on all aspects of



Gustavus Swift developed the “icebox on wheels,” or reefers, refrigerated railcars during the mid-19th century. By loading ice on the top of railcars, cooled air could pass down to cool meat traveling from Boston to Chicago, changing the way railcars carried ice for cooling railcars. He revolutionized the meat packing industry by vertically integrating all the aspects of meat production, including meat production, transport, and processing.

farming. Universities, such as Tufts, M.I.T., and Texas A & M (land grant universities) offer initiatives for new farmers. Tuft’s National Incubator Farm Training Initiative is just one of these programs.

If you’re planning on starting a school lunch delivery service, you’ll need to operate from a commercial kitchen. Most commercial kitchens require their clients to book blocks of time in advance, as well as possess food managers’ and handlers’ certificates, as well as food enterprise permits from their local municipality.

In Texas, you can start to familiarize yourself with state regulations around food operations through the Department of State Health Services Foods Group page (www.dshs.state.tx.us/foods/) to ensure that your business is in compliance.

For anyone interested in starting an urban farm to meet a need in the community (say, growing Asian fruits and vegetables in a market bereft of those items), be sure to look into your city’s codes or ordinances governing third party sales, the number of dwellings allowed on an urban farm property, the number of staff allowed per acre, raising and processing animals, and so on.

If your business centers on the inputs side of things and you’re not growing or producing food, you will need to explore the U.S. Food and Drug Administration’s regulations regarding the types of materials that are acceptable for use in a food establishment. These can be found online in Food Code 2013, located at www.fda.gov/Food/GuidanceRegulation/RetailFoodProtection/FoodCode/ucm374275.htm. Federal food and safety laws are constantly being updated. Check the web for all federal, state, and city laws that cover food safety and security, including the handling, processing, preparation, and distribution of anything related to food.

A business in the areas of food processing, packaging, and food safety can take many different forms. Examples include processing and packaging meat in an all-organic facility, developing food-safe inks for labels, or acting

as a co-packer for small food businesses that don’t have access to the equipment or knowledge needed to get product to market.

Food-borne illnesses and other sanitation concerns are an ongoing problem in our food-supply chain. Similarly, food-packaging accidents occur on a regular basis, which is why the solutions your business offers are so very important. Because people’s health and well-being are at stake in matters involving bacterial growth, proper handling of meat and vegetables, and maintaining proper acidity of canned goods, it’s imperative to be familiar with local, state, and federal regulations around food safety, processing, and packaging. A food packaging business might also address the issue of waste reduction. Some startups are exploring edible packaging, for example.

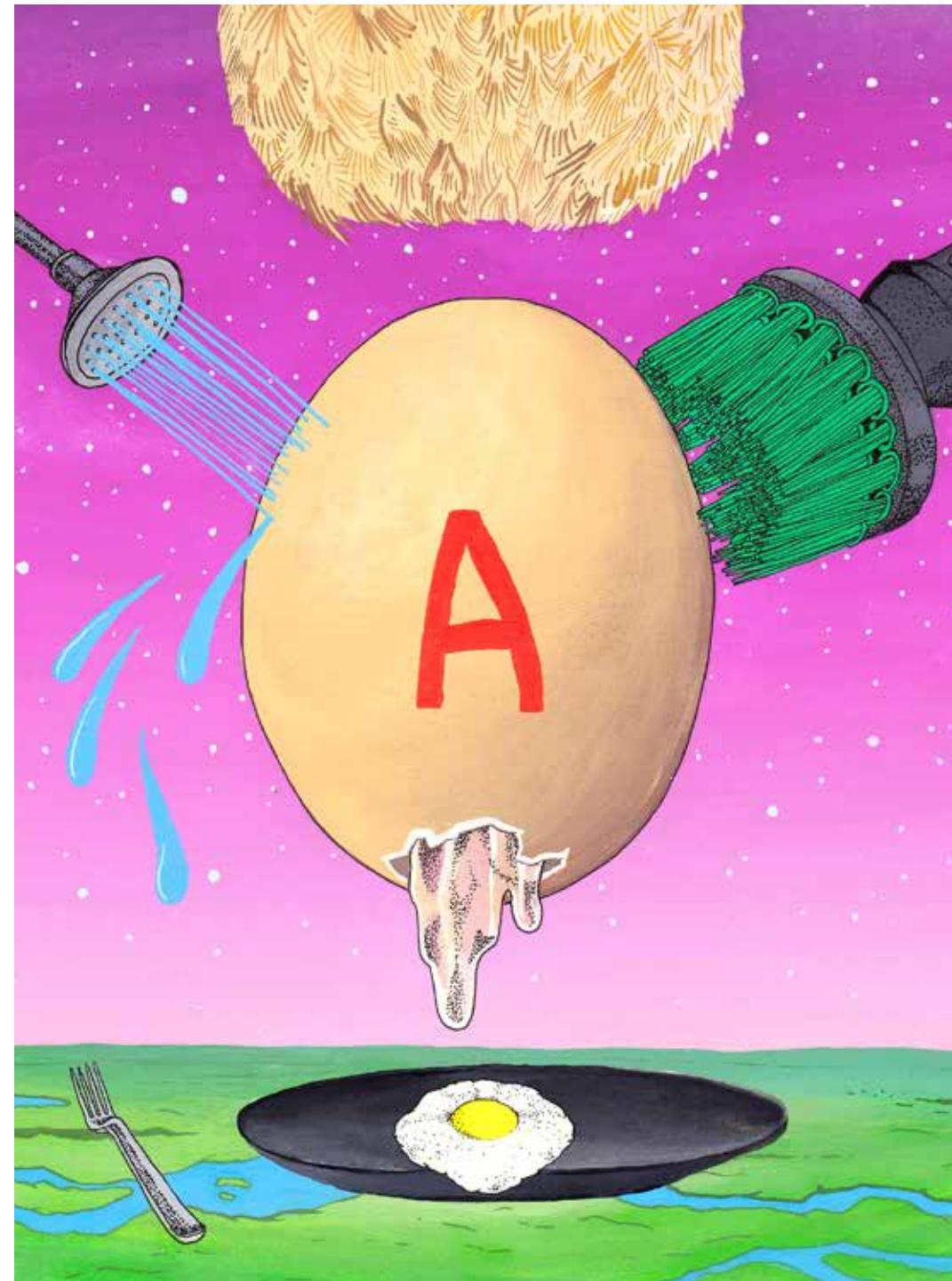
Fortunately, the Texas A&M AgriLife Extension has put together a fairly comprehensive primer on food technology, safe handling techniques, and food processing entrepreneurship. It can be found at www.aggie-horticulture.tamu.edu/food-technology/food-processing-entrepreneurs/.

Perhaps you’ve got a revolutionary new app that will help distributors track their goods around the world, or a plastic-free food-storage container that keeps kids’ school lunches appropriately hot or cold. Or maybe you’ve developed an innovative approach to food storage that can help third-world populations make their perishable food supplies last longer.

Businesses based in the United States will need to familiarize themselves with F.D.A. and U.S.D.A. regulations pertaining to food storage distribution, including but not limited to proper storage conditions and temperatures, shipping container standards, record keeping requirements, Hazard Analysis and Critical Control Point Systems (HACCP), and so on. In addition, businesses with an international scope (import/export) will need to ensure they are conversant with the congruent

standards in the countries with which they plan to conduct business, as well as securing the correct import and export certificates.

A startup may be committed to developing products and services dedicated to improving people's health through his or her food choices. These businesses could pursue many solutions, such as wearable technology that helps people keep track of their daily caloric intake or smart scales like the SITU (www.situscale.com) that calculate the nutritional value of foods and help the user manage their food consumption. Maybe you want to write a cookbook dedicated solely to recipes using cricket flour. Or maybe you want to start a composting consultation business, helping people usher their food scraps (and dryer lint and pet hair) through the process from compost bin to food for their backyard gardens.



Case Studies

We've provided you with a few case studies that illustrate some of the complexities and issues that you'll need to address in your business plan. The food startup scene is rapidly growing and new startups are emerging all the time. Take some time to visit with these new food entrepreneurs, ask questions, listen to their stories as you create your own.

VITAL FARMS

Austin-based Vital Farms is one of the fastest-growing suppliers of pasture-raised poultry in the United States. Matt O'Hayer and his wife, Catherine Stewart, started Vital Farms in 2007 as a small operation with 50 rescued hens in their backyard. They started selling eggs at local farmers markets in Austin and were soon discovered by Whole Foods Market, which began carrying the eggs in its Midwestern market in 2008, slowly expanding in 2009. From there, the company partnered with dozens of family farms in six states and in 2013 distributed its eggs to restaurants and grocery stores across the United States.

Vital Farms' distribution process is an example of how to effectively distribute a highly perishable product on a national scale. Every week, the company's eggs move from the farming centers to processing centers, where they are washed, graded, and packed before being transported to customers distribution centers and beyond. The Vital Farms' Fulfillment Coordinator facilitates the movement of eggs from farming centers to customers. The Fulfillment Coordinator is responsible for the following:

- Communication between the farming centers, processing centers, and customers on a weekly basis
- Management of the weekly production plan based on purchase orders, taking into account the eggs' destination, which processing center is responsible for fulfilling which orders and when, and the schedule and method

- of delivery for customer orders
- Communication with each farming center which orders they are responsible for, when those eggs will be picked up, and where they are going
- Coordination between each processing center, which orders they are filling, and when they need to be filled
- Creation of a weekly freight plan with Vital Farms' freight coordinator
- Administration of all documentation from each processing center pertaining to each week's business, from order fulfillment to beginning and ending inventories

DAI DUE (based on an interview with founder Jesse Griffiths)

Dai Due was started by chef Jesse Griffiths and his wife, Tamara Mayfield in Austin, Texas, in 2006. Originally conceived of as a pop-up supper club, Dai Due (taken from the Latin phrase, *Dai due regni di natura, piglia il cibo con misura*, meaning "From the two kingdoms of nature, choose food with care") eventually established itself at local farmers' markets, offering various charcuteries, condiments, pickles, and spreads made from locally sourced ingredients. Griffiths expanded the operation to include hunting and cooking classes that serve to connect eaters with the source of their food.

Dai Due started with a simple goal to only cook with foods that were immediately available in Central Texas. This exploration had a few different meanings. First, they wanted to support, financially and as a community, local farmers and producers and empower them by spending money with them and only them; secondly, they wanted to play with and rediscover their cultural food heritage in the Austin area-what it was and what it could be.

Their business has always attracted a good team. People that were interested in food and the ethics around it either became customers or part of their team, or both. They did not write a business plan, but rather invested all of the money they could-\$170-into plates, glasses and



Clarence Birdseye, Brooklyn entrepreneur, invented the flash-freezing process while experimenting with frozen fish in Labrador in the early 1900s. He founded General Seafood Corporation in 1925 and eventually sold his patents in 1929 to Goldman Sachs and the Postum Company. Eventually, Birdseye Frozen Food company transformed what we now call the cold chain in food logistics.



In the 1950s, **Malcom McLean, a farmer's son, invented the container ship**, revolutionizing international trade. He founded the Sea-Land Company, which later became Maersk, introducing large steel containers to the idea of intermodal transport. By combining containers with rail, truck, and ship transport, McLean transformed economic geography, lowering the cost of imported food. In 1984, President Ronald Reagan celebrated Mr. McLean for his "spirit of determined optimism."

food. The first dinner was a success, so they bought soup bowls for the next dinner and were able to serve soup. The proceeds from that dinner bought coffee cups. According to Griffiths, it was very organic and disorganized in a way, but very simple and straightforward as far as business models go. They assumed no debt and spent what they could. Their advice to food entrepreneurs is to really research the market and be sure that there are enough people to support the idea for the long term. Get out of your social circle and limited perspective and analyze the idea with an objective view. Start small and take on as little debt as possible; don't take steps backwards. Re-doing something is far more costly and inefficient than doing it correctly in the beginning, so take tactical measures that mitigate loss.

Availability of raw materials (meat, for example) was a substantial problem in the beginning. It was hard to find the diversity of food to make things viable, but this changed with the market. For instance, chickens were pretty scarce in the beginning at the farmers' markets, but momentum of the local food movement soon meant that instead of two vendors selling chickens (one of which was frozen and not that great) there are now multiple people selling chickens of high quality.

Another issue was, and will always be, the weather. They have been completely beholden to the Texas weather, and that can be anything from glorious to annoying to dangerous. Thunderstorms on the night of a dinner or Saturday morning market can be absolutely devastating financially. They've made the food and paid the staff and now they can't sell it. They aren't open for six more days after the event so there's no place to go. The lesson is definitely to plan for an entire year's worth of business, with those great market days and dinners balanced out by the losses. Plan accordingly and, if at all possible, make hay when the sun shines.

They would love to see the business become more sustainable, with a smooth interaction between their vendors, whom they are more able

to support with increased buying power, their staff, whom they are want to pay very good wages and provide a great working environment, and their customers, who have been educated about what they do and are willing to pay the real cost of food to support the whole system. They would love to see their business become a model of how good food and good people can be a financial success without straining our core ethics.

*In August 2014, Dai Due opened a brick-and-mortar restaurant in East Austin, taking Griffith's original vision to a new level.

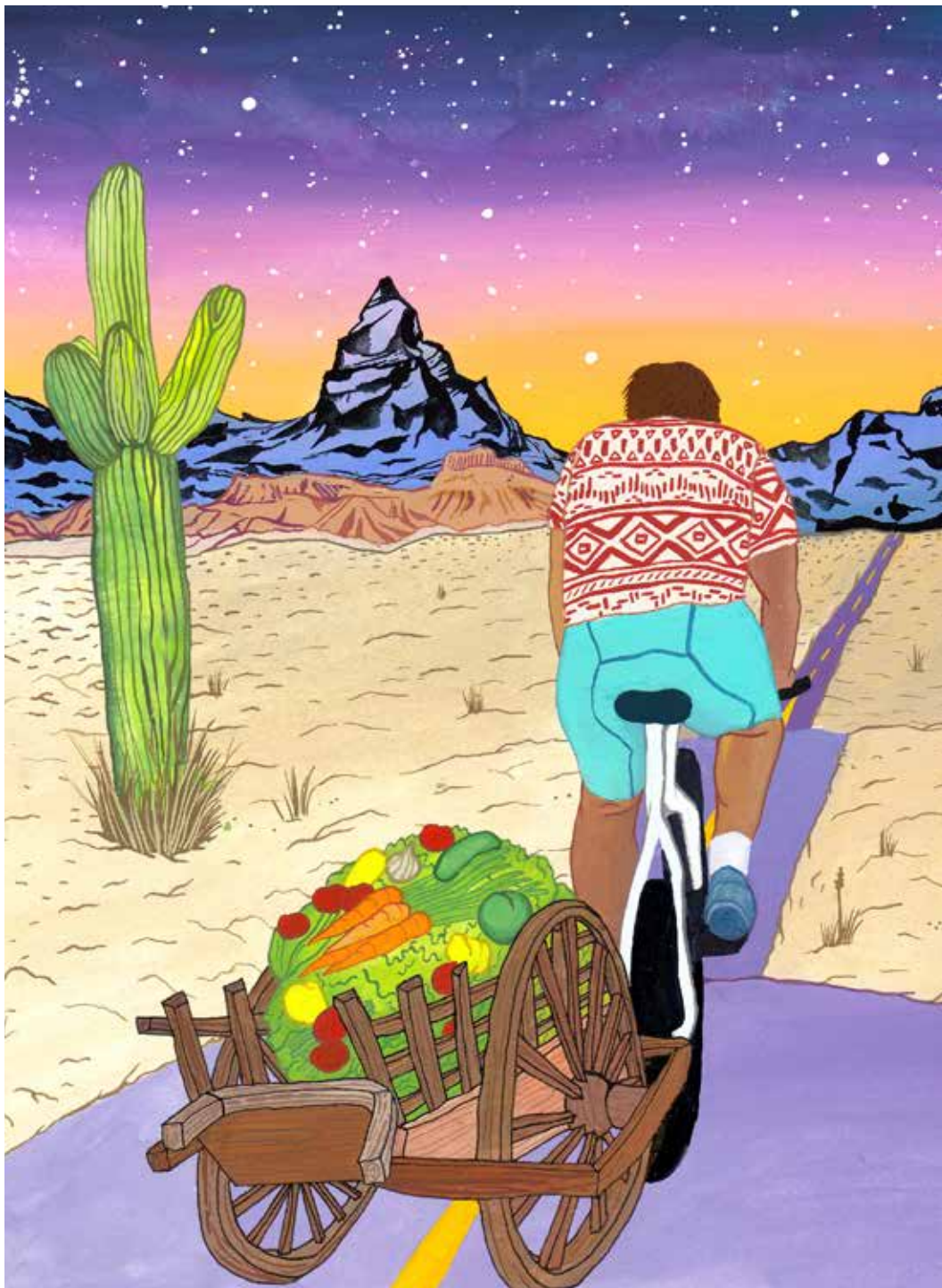
BLUWRAP

An example of a new business targeting safe food packaging is BluWrap (formerly Global Fresh Foods), a company that has demonstrated visionary innovations in green shipping technologies and food preservation. The San Francisco-based operation uses a unique technology that retards the deterioration of freshly caught seafood using a process that removes the oxygen inside of containers of fish, which keeps the fish fresh during extended transport times and increases its shelf life once on shelves in grocery stores or in fish markets. This innovation eliminates the need to ship fish via airplane, allowing for shipping these highly perishable proteins via sea transport, thus dramatically reducing the carbon footprint of global distribution of seafood from Chile to Japan and beyond. Additionally, the reduced cost of shipping helps reduce margins as well as losses incurred by airline labor disputes or flight delays.

AISLE WON (based on an interview with founder Kel Smith)

In 2008, Kel Smith formed a healthcare-oriented tech consulting company called Anikto, aimed at removing barriers separating people from fundamental human needs. Anikto's current client list includes Google, Comcast, Quest Diagnostics and MD Anderson, among others. Aisle Won is an app that addresses the problem of food deserts.

The Aisle Won story really began in 2010. Kel Smith had first started to learn about



food deserts as part of his background work in the areas of disability awareness and digital health. Insufficient access to affordable, healthy food has an adverse effect on wellness. Since people with disabilities are more likely to be food insecure, it felt like a natural progression of Anikto's interests.

Kel had read a Pew statistic that people making less than \$35k/year actually showed higher increases of smartphone usage, due to lack of broadband at home (and more recent data shows the growth of texting/apps among low-income populations). The solution seemed easy to Kel, who thought, "Maybe there's an idea for an app that connects people to sources of fruits and vegetables. All the grocery stores will buy it and move into the food deserts. Problem solved!"

Initially, Aisle Won was a very simplistic approach that deserved to fail, and it did, because Kel did not take into account the cultural and social aspects of how people acquire the food they eat. For a cogent idea to emerge, he needed to bring the imprint of "local" to his understanding of food deserts and technology. He also needed to spend more time visiting prospective pilot cities, studying food sourcing and distribution methods, and less time worrying about whether or how people use apps. In short, Kel needed to better understand what a community's culture and economics mean with regard to food accessibility.

Kel describes how he struggled to sell his business concept. "There were a lot of people—particularly those in the healthcare and pharmaceutical industries—who didn't think that a food desert app was such a sparkling idea. During an investment pitch, the group challenged me on my data regarding app trends among lower income populations. A few colleagues at the company, where I was Director of Digital Innovation at the time, derisively called my idea 'another one of Kel's social experiments.' When I became CEO of a patient-centric healthcare company, I tried to sell the idea internally and came away with nothing but confused stares.



Plastic film, called Saran Wrap, was invented at Dow Chemical during the 1930s, by Ralph Wiley while he was working on dry cleaning solvents. His boss, John Reilly, named the film "Saran" by combining letters of his wife and daughter's names, Sarah and Ann Reilly. The original formulation of Polyvinylidene chloride (PDVC), has since been replaced by polyethylene because of environmental concerns.

So I had no shortage of opportunities to pack it in and give up.”

In terms of market research, Kel knew about Amazon Fresh and Good Eggs and Peapod, but these innovations were designed for affluent populations—not your typical food desert. He also knew that online stores alone couldn’t solve the food desert problem (in fact, new evidence proves this). He assembled a small team consisting of people who he knew understood his concept. Kel also arrived at the following problem statement, which further clarified what his team was doing.

1. People without a means of transportation to supermarkets rely on small to mid-size stores located within close proximity, resulting in food deserts overstocked with unhealthy choices.
2. With national chains controlling 25% of the grocery market, small-scale suppliers must stabilize pricing in order to avoid being squeezed out of business.
3. Healthy eating is a skill that must be learned, using tools that respect the socio-cultural attributes that make up a community. “One size fits all” solutions miss the mark in food deserts.

By 2013, Kel had pretty much decided that he had to self-fund his startup. This decision allowed him more veto power and he re-engineered the inventory model to be scalable for both large distribution hubs and small-scale agriculturalists. The company would not only provide consumers with a means to buy produce; it would make consumer’s selections relevant with filtering options to help maximize the dollars they spent on produce. The app would also allow them to create recipes specific to their cultural background and health profile.

The company looked for a pilot city for testing. After several negotiations, the first implementation of Aisle Won was launched in April 2013 with Real Food Farm, a six-acre urban agricultural plot in Baltimore. They had everything that the company needed to test their

model (1) a food source; (2) a distribution system; and (3) a local network of advocates. Kel offered to give the software and app to Real Food Farm for free, no strings attached, in return for an agreement that the company could cite them as a case study to secure additional pilots. Their partner agreed.

Within eight months of launch, Real Food Farm’s food assistance revenue increased by 580%. Net revenue from selling other farms’ produce increased by 345%. Double Dollars (a cash-matching incentive program for SNAP recipients) went up by a factor of 68, and the number of home deliveries increased by a factor of seven. The average SNAP/WIC sale amount went up by two dollars, with the total food assistance transactions increasing by a factor of nine.

Aisle Won was awarded a small Kellogg Foundation grant through the Institute of Local Innovations to launch its second pilot in New Orleans. The startup entered an exclusive partnership with The Renaissance Project, serving Lower 9th Ward neighborhoods still feeling the effects of Hurricane Katrina. The company is considering pilots in Louisville, Philadelphia, Birmingham, Nashville and (maybe) Asheville.

Kel’s advice: Have a vision, collect your data, be willing to make mistakes in judgment or execution (because you will), formulate a succinct problem/solution statement, and, above all, stay committed to the greater good. The immediate short-term goal is to collect additional data to prove that the model is scalable. Ideally, larger food supply hubs will recognize the value of Aisle Won and invest resources. Kel feels that the company is at a crucial watershed moment with regard to non-pharma approaches to understanding wellness.



Tom Monaghan started a small pizza company, called DomiNick’s, with \$900 while at the University of Michigan during the 1960s. He went on to found one of the world’s largest pizza restaurant chains, Domino’s Pizza and developed a series of pizza-delivery innovations: dough trays, corrugated cardboard boxes, and insulated bags.

THE FOOD LAB AT UT AND FOODMAKERS

The Food Lab at UT is a project at The University of Texas at Austin. The Food Lab's purpose is to inspire innovation in the food system, to encourage original conversations about improvements within the food system, and to create films and publications that explore new ways to think about food. Foodmakers, a non-profit organization in Austin, Texas, is the parent organization for The Food Lab at UT and is responsible for the contents of this publication.



A British patent for a can opener, called “the bayonet and sickle,” appeared almost fifty years after the invention of canning.

It took almost fifty years for machine stamping technology to evolve to produce metal that was thin enough to puncture with an opener. The can opener we use today was invented in the U.S. by William Lyman in 1870 and improved by the Star Can Company in San Francisco in 1925.

MORE INFORMATION

You can find more information about the Food Lab at:

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